

MINUTES

THE DEEP EAST TEXAS REGIONAL MENTAL HEALTH MENTAL RETARDATION SERVICES BOARD OF TRUSTEES MEETING

AUGUST 29, 1989

BOARD MEMBERS PRESENT:

Judge Allen Sturrock, Chairman
Mrs. Gaffney Phillips, Secretary
Reverend Robert Carter
Nancy Speck, Ph.D.
Mrs. Bobbie Morgan
Ward R. Burke

Dan Dominey, Vice Chairman
Judge Charles English
Mrs. Nancy Fuller

OTHERS PRESENT:

Jim McDermott, Ph.D.	MHMR
Mr. Sandy Skelton	MHMR
Mrs. Susan Rushing	MHMR
Mrs. Linda Naff	MHMR
Mr. George Patterson	MHMR
Mrs. Sandy Vann	MHMR
Mr. Tim Richerson	MHMR
Mrs. Kim Abernethy	MHMR
Mrs. Marty Walker	MHMR
Mrs. Donna Teafatiller	MHMR

The 204th meeting of the Board of Trustees was held at Crown Colony Country Club, 900 Crown Colony Drive, Lufkin, on Tuesday, August 29, 1989 at 12:45 P.M.

INVOCATION: Reverend Robert Carter gave the invocation.

CALL TO ORDER AND RECOGNITION OF GUESTS: There being a quorum present, Chairman Sturrock called the meeting to order at 12:45 P.M. There were no guests in attendance.

APPROVAL OF MINUTES OF PREVIOUS BOARD MEETING: There being no additions or corrections to the Minutes of July Board Meeting, on a motion by Mr. Burke, seconded by Rev. Carter, the Board unanimously approved the Minutes of the July 25, 1989 Board Meeting.

EXECUTIVE DIRECTOR'S REPORT:

The Executive Director's Report was discussed during the Board Workshop which began at 9:00 A.M.

COMMITTEE RECOMMENDATIONS FOR BOARD APPROVAL

Budget and Finance Committee - Judge Charles English,
Chairman

Consideration of Treasurer's Report: On a motion by Mrs. Phillips, seconded by Rev. Carter, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the Balance Sheet, Operating Statement, Statement of Changes in Fund Balance and Reserve, Internal Advances - Accounts Receivable, Internal Advances - Accounts Payable, and Budget Summaries of Receipts and Expenditures for the month of July, 1989 be approved as submitted; and THAT copies of each report be attached to the permanent Minutes of this Board meeting.

Consideration of Resolution to Purchase from State Purchasing and General Services Commission: On a motion by Mrs. Phillips, seconded by Rev. Carter, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the Resolution to the State Purchasing and General Services Commission be approved; THAT the Board chairman be authorized to sign the Resolution; THAT the Executive Director be authorized to submit the necessary documents to the State Purchasing and General Services Commission to enact the Resolution; and THAT a copy of the Resolution be maintained on file in the office of the Director, Business Services.

Consideration of Sale of IBM Copier and Lease of Replacement Copier: On a motion by Mrs. Phillips, seconded by Rev. Carter, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the lease of a Xerox Model 1075 copier be approved for a four-year lease period at a cost of \$1,450 per month; THAT the Executive Director be authorized to sign and issue the purchase order; and THAT copies of the bids, and the Lease Contract, be maintained in the office of the Director, Business Services; and be it further RESOLVED that the Executive Director be authorized to sell the Center's IBM Model 60 copier if no organizational center within MHMR can effectively utilize the copier in its operation.

Consideration of FY 1990 Operating Budget: On a motion by Mrs. Phillips, seconded by Rev. Carter, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the FY 1990 Contract for Services and Operating Budget be approved as submitted; THAT the Board Chairman be authorized to sign the Contract and Budget Transmittal Form; and THAT copies of the documents be maintained on file in the office of Business Services.

Public Meeting on Needs or Uses of Mental Health Block Grant Funds: There were no citizens in the audience to give comments.

Consideration of Vehicle Replacement (In Two Parts):

Part 1: Consideration of Vehicle Purchase for Central Administration and Home and Community Services (HCS): On a motion by Mrs. Phillips, seconded by Rev. Carter, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the bid from Angelina Chevrolet for the purchase of four (4) 1990 Geo Prizms be accepted, and THAT a copy of the bids be maintained on file in the office of Business Services.

Part 2: Consideration of Van Purchase for Jasper Sheltered Workshop and Kirbyville Sheltered Workshop: On a motion by Mrs. Phillips, seconded by Rev. Carter, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the bid from Knapp Ford for the purchase of two (2) vans be accepted, and THAT a copy of the bids be maintained in the office of Business Services.

Part 2.B.: Consideration of Van Purchase for Angelina MHMR Center: On a motion by Mrs. Phillips, seconded by Rev. Carter, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the purchase of a van from Barrett Brothers Motor Company in the amount of \$17,887.80 be approved.

Consideration of Participation in Texas Council Bond Program to Re-roof Central Administration: On a motion by Mrs. Phillips, seconded by Rev. Carter, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the bid from L. Richardson & Sons, Inc. in the amount of \$34,624.00 to re-roof Central Administration be accepted; THAT staff are authorized to borrow the funds from NCNB-Texas National Bank of Lufkin, and THAT copies of the bids be maintained on file in the office of Business Services.

Consideration of Membership Renewals: On a motion by Mrs. Phillips, seconded by Mrs. Morgan, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the Center renew its membership in the Texas Council of Community MHMR Centers, Inc.; Deep East Texas Council of Governments; National Council of Community Mental Health Centers, and the Mental Health Corporations of America, Inc.; and THAT the Executive Director be authorized to expend the funds necessary for those memberships.

Program Committee - Mr. Ward R. Burke, Chairman

Consideration of Acceptance of Grant Award from the U.S. Department of Housing and Urban Development: On a motion by Mrs. Morgan, seconded by Mr. Burke, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the Board accept the grant award from the U.S. Department of Housing and Urban Development in the amount of \$899,000; THAT the Executive Director be authorized to sign all documents associated with this award, and THAT copies of the paperwork be kept on file in the office of the Director, Business Services.

Personnel and Public Education Committee - Reverend Robert Carter, Chairman

Consideration of Resolution of Appreciation to Sandy Skelton: On a motion by Mr. Burke, seconded by Mrs. Phillips, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the Resolution of Appreciation be presented to Sandy Skelton as submitted.

Consideration of Election of Officers: On a motion by Rev. Carter, seconded by Mrs. Morgan, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT Judge Allen Sturrock be selected as Chairman; THAT Dan D. Dominey be selected as Vice Chairman; THAT Gaffney Phillips be selected as Secretary; and THAT Judge Charles English be selected as Treasurer for FY 1990.

Consideration of Revised Organization Chart: The Board voted unanimously to table this item until there was time for Dr. McDermott to discuss it in detail with the Board.

Consideration of FY 1990 Holiday Schedule: On a motion by Rev. Carter, seconded by Mrs. Phillips, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the proposed Holiday Schedule for FY 1990 be approved as submitted, and THAT a copy of this schedule be attached to the permanent Minutes of this Board meeting.

Consideration of Personnel Matters:

The meeting was called into Executive Session to consider personnel matters brought before the Board by the Executive Director according to Article 6252-17, Section 2(g) of the Open Meetings Law. The Chairman excused guests from the meeting room at 1:08 P.M., stating that no Board action would be taken until the meeting was reopened.

Executive Session

Chairman Sturrock reopened the meeting to the public at 1:16 P.M. and asked Board consideration of the following items:

Consideration of Executive Director's Contract with the Board: On a motion by Rev. Carter, seconded by Mrs. Phillips, the Board unanimously approved the following resolution:

RESOLVED, by the Board of Trustees, THAT the Board renew the three-year employment contract with the Executive Director as submitted covering the time period from September 1, 1989 through August 31, 1992, and THAT a copy of this contract be attached to the permanent Minutes of this Board meeting.

INVITE COMMENTS FROM VISITORS: There were no comments from visitors at this time.

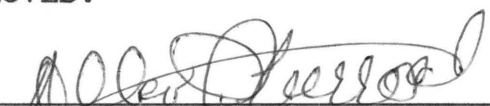
DESIGNATION OF DATE, TIME, AND LOCATION OF NEXT BOARD MEETINGS:

The schedule for the Board Meetings for September and October was set as follows:

Thursday, October 5, 1989 (September meeting)
Tuesday, October 31, 1989

The TDMHMR Budget Hearing for our agency is scheduled for Tuesday, September 26, 1989, which is the date we would normally hold our meeting. Therefore, we are recommending that the September meeting be held on October 5th. Committee meetings will begin at 3:30 P.M., and the Board meeting will begin at 4:00 P.M. on October 5th.

APPROVED:



Judge Allen Sturrock, Chairman



Gaffney Phillips, Secretary

DEEP EAST TEXAS REGIONAL MHMR SERVICES

REVENUE BY FUND

9/1/88 - 7/31/89

SOURCE	ANNUAL BUDGET	Y-T-D REVENUE	Y-T-D BAL REMAINING	Y-T-D OVER(UNDER)	MONTHLY BUDGET	JULY REV	JULY RCPTS* REV	JULY RCV'BLE	JULY REVENUE	JULY OVER(UNDER)
ANGELINA COUNTY	29,286	26,858	2,428	13	2,441	2,441	0	2,441	0	
HARDIN COUNTY	14,532	13,321	1,211	0	1,211	1,211	0	1,211	0	
HOUSTON COUNTY	6,584	6,035	549	0	549	548	0	548	(1)	
JASPER COUNTY	11,595	10,629	966	0	966	967	0	967	1	
NACOGDOCHES COUNTY	12,000	11,000	1,000	0	1,000	0	1,000	1,000	0	
NEWTON COUNTY	6,003	2,750	3,253	(2,753)	500	250	0	250	(250)	
POLK COUNTY	9,846	9,026	820	1	821	821	0	821	0	
SABINE COUNTY	2,838	2,602	236	1	237	237	0	237	0	
SAN AUGUSTINE COUNTY	2,802	2,569	233	1	234	234	0	234	0	
SAN JACINTO COUNTY	4,107	3,765	342	0	342	343	0	343	1	
SHELBY COUNTY	6,400	5,867	533	0	533	534	0	534	1	
TRINITY COUNTY	5,127	4,700	427	0	427	428	0	428	1	
TYLER COUNTY	7,609	6,975	634	0	634	634	0	634	0	
PATIENT/CLIENT FEE RECEIPTS	873,576	732,412	141,164	(68,366)	72,798	46,292	0	46,292	(26,506)	
SENATE BILL 230	15,000	18,585	(3,585)	4,835	1,250	(150)	0	(150)	(1,400)	
COURT COMMITMENTS	22,335	18,764	3,571	(1,710)	1,861	1,351	585	1,936	75	
PINEYWOODS ANNEX	130,000	0	130,000	(119,167)	10,833	0	0	0	(10,833)	
FOUNDATION (FARM)	276,412	258,071	18,341	4,693	23,034	5,206	0	5,206	(17,828)	
NACOGDOCHES ISD	13,480	15,127	(1,647)	2,770	1,123	0	1,375	1,375	252	
DEBT PROCEEDS	18,500	539,774	(521,274)	522,816	1,542	40,820	0	40,820	39,278	
WORKSHOP PRODUCTION	190,644	182,031	8,613	7,274	15,887	22,629	0	22,629	6,742	
DONATIONS	3,795	315,099	(311,304)	311,620	316	445	0	445	129	
INTEREST INCOME	57,718	110,676	(52,958)	57,768	4,810	13,702	0	13,702	8,892	
RAILROAD RETIREMENT BENEFITS	4,500	3,843	657	(282)	375	352	0	352	(23)	
SOCIAL SECURITY BENEFITS	31,506	42,877	(11,371)	13,997	2,626	4,540	0	4,540	1,914	
SSI BENEFITS	93,868	49,234	44,634	(36,812)	7,822	4,137	0	4,137	(3,685)	
MISCELLANEOUS	840	25,011	(24,171)	24,241	70	2,182	15	2,197	2,127	
HARDIN REIMBURSEMENT	6,480	6,480	0	540	540	0	0	0	(540)	
FARM INCOME	5,000	801	4,199	(3,782)	417	154	0	154	(263)	
KITCHEN REVENUE	5,061	6,142	(1,081)	1,503	422	386	0	386	(36)	
VOCATIONAL SERVICES	9,950	8,205	1,745	(916)	829	0	0	0	(829)	
ICF-MR	665,788	634,636	31,152	24,330	55,482	(4,211)	74,909	70,698	15,216	
TRC	23,445	18,274	5,171	(3,217)	1,954	785	1,345	2,130	176	
STATE HIGHWAY DEPT.	542,148	478,668	63,480	(18,301)	45,179	2,906	55,485	58,391	13,212	
PROTECTIVE SERVICES	11,000	7,218	3,782	(2,865)	917	36	0	36	(881)	
PROTECTIVE SERVICES-IN HOME	142,174	115,351	26,823	(14,975)	11,848	14,190	0	14,190	2,342	
HCS	480,292	437,645	42,647	(2,623)	40,024	(4,625)	40,000	35,375	(4,649)	
CAMP LEANDER	0	1,870	(1,870)	1,870	0	0	0	0	0	
GENERAL REVENUE	2,280,093	2,093,210	186,883	3,125	190,008	186,884	0	186,884	(3,124)	
RAJ	984,826	917,149	67,677	14,392	82,069	(1,298)	76,000	74,702	(7,367)	
LELSZ	1,268,121	1,106,351	161,770	(56,093)	105,677	100,459	0	100,459	(5,218)	
TCADA	312,392	326,347	(13,955)	39,988	26,033	(250)	36,900	36,650	10,617	
EDI, SENATE BILL 630	416,497	366,714	49,783	(15,075)	34,708	0	41,254	41,254	6,546	
DHS - ADULT DAY CARE	33,242	35,715	(2,473)	5,243	2,770	403	3,841	4,244	1,474	
DHS - CHILD DAY CARE	222,576	196,527	26,049	(7,501)	18,548	(7)	14,987	14,980	(3,568)	
SYETP	31,000	5,500	25,500	(22,917)	2,583	5,500	0	5,500	2,917	
PROBATION DEPT.	3,000	35,200	(32,200)	32,450	250	19,800	0	19,800	19,550	
JTPA	5,000	2,206	2,794	(2,377)	417	0	0	0	(417)	
MENTAL HEALTH BLOCK GRANT	474,009	434,509	39,500	1	39,501	39,500	0	39,500	(1)	
USDA	28,764	29,940	(1,176)	3,573	2,397	0	2,355	2,355	(42)	
DHS - LIAISON	154,498	150,417	4,081	8,794	12,875	0	13,840	13,840	965	
CHAPTER I	31,164	13,773	17,391	(14,794)	2,597	1,317	0	1,317	(1,280)	
CHAPTER I CARRYOVER	34,964	35,268	(304)	3,218	2,914	(2,568)	0	(2,568)	(5,482)	
TOTAL	10,022,387	9,881,717	140,670	694,531	835,201	509,515	363,891	873,406	38,205	

*NEGATIVE AMOUNTS REPRESENT PRIOR MONTHS' CORRECTIONS FLOWING THROUGH THE CURRENT MONTH.

DEEP EAST TEXAS REGIONAL MMR SERVICES

EXPENDITURES BY COST CATEGORY

9/1/88 - 7/31/89

EXPENSE CATEGORY	ANNUAL BUDGET	Y-T-D EXP & ENC	Y-T-D BAL REMAINING	Y-T-D OVER(UNDER)	MONTHLY BUDGET	JULY EXP & ENC	JULY OVER(UNDER)
SALARIES	5,301,929	4,689,034	612,895	(171,068)	441,827	443,938	2,111
MERIT, LONGEVITY, BONUS, ETC.	12,236	9,167	3,069	(2,049)	1,020	834	(186)
FRINGE BENEFITS	816,945	783,907	33,038	35,041	68,079	79,700	11,621
CONSULTANTS & PROFESSIONALS	91,109	59,436	31,673	(24,081)	7,592	7,969	377
TRAVEL	198,071	182,181	15,890	616	16,506	16,046	(460)
DRUGS	24,806	35,111	(10,305)	12,372	2,067	3,267	1,200
FOOD	170,417	152,722	17,695	(3,494)	14,201	18,089	3,888
SUPPLIES	239,721	252,756	(13,035)	33,012	19,977	26,674	6,697
FARM OPERATION SUPPLIES	7,000	7,822	(822)	1,405	583	271	(312)
DEBT PRINCIPAL RETIREMENT	175,518	112,471	63,047	(48,421)	14,627	13,064	(1,563)
EQUIPMENT & FURNITURE	95,481	119,610	(24,129)	32,086	7,957	39,542	31,585
EQUIPMENT & FURNITURE RENTAL	36,405	30,157	6,248	(3,214)	3,034	2,737	(297)
EQUIP/FURN REPAIRS/MAINT	31,555	24,909	6,646	(4,016)	2,630	2,366	(264)
BUILDING RENT	245,607	222,589	23,018	(2,551)	20,467	19,400	(1,067)
BLDG REMODELING/RENOVATION	45,375	75,048	(29,673)	33,454	3,781	3,356	(425)
BLDG REPAIR & MAINTENANCE	43,600	54,429	(10,829)	14,462	3,633	8,518	4,885
VEHICLE PURCHASED	18,500	97,789	(79,289)	80,831	1,542	0	(1,542)
VEHICLE LEASE	4,920	4,510	410	0	410	410	0
VEHICLE OPERATION/MAINT	149,823	135,587	14,236	(1,751)	12,485	17,528	5,043
CONTRACTS W/SERVICE AGENCIES	855,789	819,248	36,541	34,775	71,316	90,497	19,181
POSTAGE	22,193	22,237	(44)	1,893	1,849	2,032	183
LAB EXPENSE	4,875	3,758	1,117	(711)	406	468	62
TELEPHONE	139,320	117,166	22,154	(10,544)	11,610	11,135	(475)
ANNUAL AUDIT	9,400	9,075	325	458	783	825	42
LEGAL FEES	0	10,428	(10,428)	10,428	0	0	0
INSURANCE	115,652	78,312	37,340	(27,702)	9,638	5,709	(3,929)
CLIENT WAGES/FRINGE	383,120	294,500	88,620	(56,693)	31,927	25,795	(6,132)
UTILITIES	196,524	154,706	41,818	(25,441)	16,377	15,851	(526)
EMOLUMENT	2,100	1,925	175	0	175	175	0
MISCELLANEOUS	147,563	179,637	(32,074)	44,371	12,297	13,532	1,235
BOND ISSUE EXPENSE	0	614	(614)	614	0	205	205
SSI BENEFITS - FOSTER PARENTS	28,164	16,480	11,684	(9,337)	2,347	1,592	(755)
SS BENEFITS - FOSTER PARENTS	20,787	23,125	(2,338)	4,070	1,732	2,277	545
RR BENEFITS - FOSTER PARENTS	3,600	3,300	300	0	300	300	0
FOSTER CARE SUPPLEMENT	0	3,688	(3,688)	3,688	0	332	332
INTEREST EXPENSE	24,124	58,881	(34,757)	36,767	2,010	6,855	4,845
COURT COMMITMENT EXPENSE	22,335	19,750	2,585	(724)	1,861	1,830	(31)
CLIENT ACTIVITY	10,993	3,434	7,559	(6,643)	916	1,271	355
MARKETING	39,000	17,727	21,273	(18,023)	3,250	185	(3,065)
CONSTRUCTION EXPENSE	1,000	0	1,000	(917)	83	0	(83)
CAPITAL BUILDING EXPENSE	146,736	700,300	(553,564)	565,792	12,228	0	(12,228)
CONTINGENCY - PRIOR YEARS	77,094	77,094	0	6,425	6,425	0	(6,425)
CONTINGENCY - 1989	63,000	56,000	7,000	(1,750)	5,250	7,000	1,750
CONTINGENCY - INT INCOME	0	16,610	(16,610)	16,610	0	1,965	1,965
CASH SHORT & OVER	0	139	(139)	139	0	0	0
TOTAL	10,022,387	9,737,369	285,018	550,179	835,199	893,540	58,341

DEEP EAST TEXAS REGIONAL MHMR SERVICES
EXPENDITURES BY PROGRAM
9/1/88 - 7/31/89

EXPENSE CATEGORY	ANNUAL BUDGET	Y-T-D EXP & ENC	Y-T-D BAL REMAINING	Y-T-D OVER(UNDER)	MONTHLY BUDGET	JULY EXP & ENC	JULY OVER(UNDER)
MENTAL HEALTH:							
RESIDENTIAL	2,480,878	2,196,745	282,133	(75,393)	206,740	211,513	4,773
CLIENT & FAMILY SUPPORT	1,280,502	1,842,958	(562,456)	669,165	106,709	101,354	(5,355)
CASE MANAGEMENT	324,337	298,371	25,966	1,062	27,028	23,764	(3,264)
MH SUBTOTAL	4,085,717	4,340,074	(254,357)	594,834	340,476	336,631	(3,845)
MENTAL RETARDATION:							
RESIDENTIAL	1,593,990	1,556,969	37,021	95,812	132,833	141,309	8,477
CLIENT & FAMILY SUPPORT	3,127,872	2,808,230	319,642	(58,986)	260,656	278,211	17,555
CASE MANAGEMENT	89,677	86,203	3,474	3,999	7,473	7,407	(66)
MR SUBTOTAL	4,811,539	4,451,402	360,137	40,825	400,962	426,927	25,965
MANAGEMENT & SUPPORT	1,125,131	1,055,876	69,255	24,503	93,761	139,158	45,397
FACILITY TOTAL	10,022,387	9,847,352	175,035	660,162	835,199	902,716	67,517
LESS TRANSACTIONS BETWEEN UNITS		0 (109,983)	109,983	(109,983)	0	(9,176)	(9,176)
TOTAL EXPENSE	10,022,387	9,737,369	285,018	550,179	835,199	893,540	58,341

DEEP EAST TEXAS REGIONAL MMR SERVICES
SUMMARY OF REVENUE AND EXPENDITURES
9/1/88 - 7/31/89

	JULY	Y-T-D
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REVENUE	873,406	9,881,717
EXPENDITURES & ENCUMBRANCES	(893,540)	(9,737,369)
DIFFERENCE	(20,134)	144,348
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ANALYSIS OF DEFERRED REVENUE:

BOND ISSUE	244,246
HCS	53,474
MEDICARE PART A OVERPAYMENTS	46,435
TEMPLE FOUNDATION GRANT	550,589
GENERAL REVENUE	186,883
PINEYWOODS ANNEX	128,008
COUNTY REVENUE	8,645
LELSZ	296,384
RETIREMENT FUNDS	7,688
CHAPTER I	4,626
CHAPTER I CARRYOVER	3,423
DONATIONS	3,889
MISCELLANEOUS	200
TOTAL DEFERRED REVENUE	1,524,490
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ANALYSIS OF RESTRICTED INTEREST INCOME:

RESERVE OPERATING FUND	7,468
PENSION	2,701
BUILDING FUND	11
CONTINGENCY CD'S	16,610
TOTAL RESTRICTED INTEREST INCOME	26,790
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DEEP EAST TEXAS REGIONAL MMR SERVICES

BALANCE SHEET

JULY 31, 1989

	GENERAL OPERATING FUND	GENERAL FIXED ASSETS	TOTAL
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ASSETS:			
Unrestricted Cash-General	538,770		
Restricted Cash:			
Cash from Bond Issue	219,566		
Int & Sinking Cash - Bonds	65,500		
Trust Funds - Clients	4,591		
Pension Funds	60,819		
Hardin Building Fund	8,493		
Foundation Grant	564,829		
Reserve Operating Funds	521,356		
Pineywoods Annex	130,682	1,575,836	
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Total Cash in Bank	2,114,606		2,114,606
Petty Cash	1,235		1,235
Change Fund	290		290
Accts Receivable-Client Fees	599,127		
Less: Allowance for			
Uncollectible Accounts	(183,666)	415,461	415,461
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Accounts Receivable - Other	641,350		641,350
Accts Rec/Internal Advances	0		0
Prepaid Expenses	7,540		7,540
Supply Inventory	107,117		107,117
Amount to be Provided under:			
Long Term Agreements	974,590		974,590
Accrued Vacation	196,293		196,293
General Fixed Assets (at Cost):			
Equipment & Furniture		709,945	709,945
Vehicles		740,017	740,017
Building		2,557,822	2,557,822
Leasehold Improvements		13,148	13,148
Land		82,315	82,315
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TOTAL ASSETS	4,458,482	4,103,247	8,561,729
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LIABILITIES & FUND EQUITY			
Liabilities:			
Accounts Payable/Internal Advance	0		0
Accounts Payable	118,789		118,789
Employee Insurance Payable	0		0
Retirement Payable	59,787		59,787
Miscellaneous Payroll Deductions	137		137
Unemployment Tax Payable	4,791		4,791
Sales Tax Payable	633		633
Cafeteria Plan Payable	0		0
Deferred Revenue	1,524,490		1,524,490
Obligation under:			
Long-Term Agreements	974,590		974,590
Accrued Vacation	196,293		196,293
Trust Fund Payable	4,591		4,591
Contingency Fund	361,552		361,552
	<hr/>	<hr/>	<hr/>
Total Liabilities	3,245,653	0	3,245,653
	<hr/>	<hr/>	<hr/>
Fund Equity:			
Investment in Fixed Assets		4,103,247	4,103,247
Fund Balances:			
Reserved for Hardin Building	8,229		8,229
Reserved for Encumbrances	51,453		51,453
Unreserved	1,153,147		1,153,147
	<hr/>	<hr/>	<hr/>
Total Fund Equity	1,212,829	4,103,247	5,316,076
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES & FUND EQUITY	4,458,482	4,103,247	8,561,729
	<hr/>	<hr/>	<hr/>

DEEP EAST TEXAS REGIONAL MMR SERVICES
STATEMENT OF CHANGES IN UNRESTRICTED FUND BALANCE AND FIXED ASSETS
JULY 31, 1989

	GENERAL OPERATING FUND	GENERAL FIXED ASSETS	TOTAL
BALANCE @ 6/30/89	1,187,981	4,061,228	5,249,209
REVENUE	873,406	0	873,406
EXPENDITURES	(893,540)	0	(893,540)
PRIOR YEAR CLIENT FEE ADJUSTMENTS	0	0	0
ADDITIONS TO FIXED ASSETS	0	42,413	42,413
DELETIONS OF FIXED ASSETS	0	(394)	(394)
CONVERSION OF CLIENT FEES FROM CASH BASIS TO ACCRUAL:			
CURRENT MONTH'S CASH RECEIPTS	(46,292)	0	(46,292)
CURRENT MONTH'S NET CHARGES	31,592	0	31,592
BALANCE @ 7/31/89	1,153,147	4,103,247	5,256,394

ANALYSIS OF ACCOUNTS RECEIVABLE/ACCOUNTS PAYABLE - INTERNAL ADVANCES

BALANCE @ 7/31/89

0
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DEEP EAST TEXAS REGIONAL MMR SERVICES
FINANCIAL DEPOSITORIES
JULY 31, 1989

DEPOSITORY	NAME OF ACCOUNT	TYPE OF ACCOUNT	BALANCE OF ACCOUNT	FDIC/ FSLIC MAX.	SECURITIES PLEDGED
NCNB Texas Nat'l, Lufkin:	General Funds	MM Checking	87,460		
	Payroll	MM Checking	41		
	Employee Medical Plan	MM Checking	2,420		
	Foundation	MM Checking	2,437		
	Pineywoods Annex	MM Checking	1,525		
	Clients' Trust Fund	MM Checking	4,591		
	Reserve Operating	2 CD's	35,861	100,000	500,000
Total for NCNB Texas Nat'l, Lufkin			134,335	100,000	500,000
NCNB Texas Nat'l, Austin	Bond Issue	Inv by Tx Council	219,566		219,566
	Bond Issue	Int & Sinking	65,500	0	65,500
Total for NCNB Texas Nat'l, Austin			285,066	0	285,066
Lovelady State Bank:	Chapter I	Checking	8,049		
	Pension	MM Checking	60,819	68,867	100,000
Total for Lovelady State Bank			68,867	68,867	100,000
Diboll State Bank:	Lelsz	MM Checking	5,632		
	Lelsz	1 CD	50,000		
	Reserve Operating	1 CD	44,217	99,849	500,000
Total for Diboll State Bank			99,849	99,849	500,000
First Nat'l Bank, San Augustine	Reserve Operating	1 CD	9,428	9,428	0
Commercial Nat'l Bank, Nacogdoches	Reserve Operating	1 CD	19,274	19,274	0
First Nat'l Bank, Livingston	Reserve Operating	1 CD	25,102	25,102	0
First Nat'l Bank, Newton	Reserve Funds - PRTC	1 CD	5,078	5,078	0
First Nat'l Bank, Silsbee	Hardin Building Fund	1 CD	8,493	8,493	0
Lufkin Federal Savings & Loan	Pineywoods Annex	1 CD	0	0	0
First Nat'l Bank, Woodville	Reserve Operating	1 CD	6,580	6,580	0
Crockett State Bank	Reserve Operating	1 CD	13,302	13,302	0
Citizens State Bank, Center	Reserve Funds - PRTC	1 CD	14,959	14,959	0
First State Bank, Hemphill	Reserve Funds - PRTC	1 CD	9,210	9,210	0
First Nat'l Bank, Jasper	Reserve Funds - PRTC	1 CD	9,382	9,382	0
Sub-total			708,925	389,524	1,385,066

DEEP EAST TEXAS REGIONAL MHMR SERVICES
FINANCIAL DEPOSITORIES
JULY 31, 1989

DEPOSITORY	NAME OF ACCOUNT	TYPE OF ACCOUNT	BALANCE OF ACCOUNT	FDIC/ FSLIC MAX.	SECURITIES PLEDGED
Sub-total from page 1			708,925	389,524	1,385,066
Bank of San Jacinto, Coldspring	Foundation	1 CD	7,000	7,000	0
Lufkin Reg. Federal Credit Union	Reserve Operating	Savings	25	25	0
United States Government:	Lelsz	Treasury Funds	231,679		231,679
	Reserve Funds - PRTC	Treasury Funds	258,938		258,938
	Foundation	Treasury Funds	555,392		555,392
	Pineywoods Annex	Treasury Funds	129,157		129,157
	General Operating	Treasury Funds	153,490		153,490
	Reserve Operating	Treasury Funds	70,000	0	70,000
Total for United States Government Securities			1,398,656	0	1,398,656
Total of All Cash in Bank			2,114,606	396,549	2,783,722

FY 1990 Holiday Schedule

1.	Labor Day	September 4, 1989	Monday
2., & 3.	Thanksgiving	November 23, 1989 November 24, 1989	Thursday Friday
4., 5., & 6.	Christmas	December 25, 1989 December 26, 1989 December 27, 1989	Monday Tuesday Wednesday
7.	New Year's Day	January 1, 1990	Monday
8.	M. L. King, Jr.'s Birthday	January 15, 1990	Monday
9.	Presidents' Birthday	February 19, 1990	Monday
10.	Good Friday	April 13, 1990	Friday
11.	Memorial Day	May 28, 1990	Monday
12.	Emancipation Day	June 19, 1990	Tuesday
13.	Independence Day	July 4, 1990	Wednesday

NOTE: Some units may remain open on a particular holiday. If a unit is to remain open, notification will be sent by the appropriate Division Director.

EMPLOYMENT CONTRACT

This contract is entered into on this 1st day of September, 1989, by and between DEEP EAST TEXAS REGIONAL MENTAL HEALTH MENTAL RETARDATION SERVICES, a community mental health and mental retardation center, hereinafter referred to as "MHMR", acting through its Board of Trustees, hereinafter referred to as the "Board", and JAMES FRANCIS McDERMOTT, Ph.D., hereinafter referred to as "Executive Director".

By this agreement, MHMR, located at Lufkin, Angelina County, Texas, hereby employs JAMES FRANCIS McDERMOTT, Ph.D., also of Lufkin, Angelina County, Texas, for the position of Executive Director on the following terms and conditions:

ARTICLE I

WHEREAS, the Board of MHMR desires to establish and make available for all residents of the Deep East Texas region community-based mental health and mental retardation programs, services and facilities; and

WHEREAS, there is a need for an Executive Director to work with the Board in providing such programs, services and facilities, and the Executive Director hereinabove stated has agreed to cooperate in providing these services.

Now, therefore, in consideration of the mutual promises and the benefits to be derived by the parties as hereinafter contained, it is agreed:

ARTICLE II

The Board hereby employs and continues the employment of JAMES FRANCIS McDERMOTT, Ph.D., as the Executive Director of MHMR on a full-time basis, and the Executive Director accepts employment and agrees to provide the following services:

(a) To implement the policy decisions of the Board to the best of his ability;

(b) To administer the overall operation of all Board programs according to accepted management principles and techniques;

(c) To deal effectively with local, state and federal elected officials and agencies at the direction of the Board;

(d) To accurately inform the Board of the status of MHMR's programs and services;

(e) To implement such procedures as may be necessary to ensure that MHMR programs are operated in a manner which will maintain certifications/accreditation by the appropriate governmental agencies/bodies;

(f) To operate MHMR programs in a manner which will ensure that MHMR is at least in minimum compliance with its Texas Department of Mental Health Mental Retardation performance contract; and

(g) To properly carry out instructions and/or policy decisions of the Board as long as such decisions are consistent with accepted moral, ethical, and professional standards.

ARTICLE III

The Board hereby employs JAMES FRANCIS McDERMOTT as Executive Director, and JAMES FRANCIS McDERMOTT accepts employment as the Executive Director for a period of three (3) years, beginning on the 1st day of September, 1989, and continuing until August 31, 1992; however, this agreement may be terminated earlier as herein provided in Articles V, VI, and VIII.

During the term of this agreement, the Executive Director may engage in other professional activity consistent with his duties as Executive Director, provided that none of such activity engaged in is in quantities of time or in a manner which would prove to be a detriment to the performance of the Executive Director in this position. Further, it is understood that the duties of the Executive Director will always take precedence over any outside business or other activities of the Executive Director.

The Executive Director shall not be prohibited from expending a reasonable amount of time for personal or outside business, civil, charitable, academic, research, professional or religious activities, providing that such activities do not materially interfere with the duties and responsibilities of the Executive

Director as provided herein. The Executive Director's engaging in such activities shall not be deemed a breach of this agreement.

The duties of the Executive Director may be changed from time to time by the mutual consent of the Executive Director and the Board without resulting in a rescission of this agreement. Regardless of any such change, the employment of the Executive Director shall be construed as continuing under this agreement as modified.

ARTICLE IV

As compensation for services under this agreement, the Executive Director shall be entitled to an annual salary of \$75,000.00, payable in twelve monthly paychecks on the last working day of each month.

Further, it is agreed that the Executive Director shall be provided with an MHMR-owned vehicle for travel in lieu of a monthly car allowance. The Board authorizes that the vehicle may be used for personal purposes without expense to the Executive Director, except for the cost of fuel, which shall be paid by the Executive Director.

It is agreed that MHMR shall reimburse the Executive Director for all actual travel expenses incurred which are related to MHMR business.

MHMR further agrees to provide the Executive Director with the same fringe benefits received by other employees of MHMR, as well as to pay for all insurance premiums associated with policies provided by the Center.

It is further agreed that MHMR shall contribute five percent (5%) of the Executive Director's annual compensation, on an annual basis, to a Tax Sheltered Annuity Program. This payment shall be made in a lump sum at the beginning of each fiscal year.

MHMR further agrees to continue to provide a resident membership at Crown Colony Country Club to the Executive Director and to pay the monthly dues. The Executive Director is responsible for all personal expenditures over the monthly dues.

Upon termination of this agreement in any manner provided, should the Board desire to enter into a consultant agreement with

the Executive Director in order to insure a smooth transition of administrative responsibilities and a continuity of services by MHMR, any such consultant services shall be subject of a separate contractual agreement.

ARTICLE V

This agreement may be terminated by the Board by giving six months (180) days' written notice of termination to the Executive Director. The said termination shall not prejudice any remedy that the Board may have, at law, or in equity, or under this agreement.

The contract may be terminated by the Board as herein provided, for any reason, including, but not being limited to, the following:

(a) In the event the authority of MHMR to provide community-based mental health and mental retardation programs, services, and facilities is terminated, or in the event that MHMR cannot, for any reason, provide community-based mental health and mental retardation programs, services, and facilities;

(b) Without any stated cause or reason, by paying to the Executive Director an amount equal to all compensation, including accrued vacation and sick leave, due for a period of one hundred and eighty (180) days. Upon payment of such sum, the employment of the Executive Director shall thereupon immediately terminate as of the date of such payment, unless some longer period of time is mutually agreed upon;

(c) Any conduct engaged in by the Executive Director which is determined by the Board to be detrimental to the effectiveness of MHMR and contrary to the Board policies and standards set by MHMR; or

(d) Receipt of unsatisfactory performance ratings in any annual evaluation of the conduct of the affairs of the Center, consistent with Board policies, after reasonable opportunities for correction of such unsatisfactory areas have been afforded to the Executive Director.

ARTICLE VI

This contract may be terminated by the Board by giving 30 days' written notice to the Executive Director for reasons including, but not being limited to, the following:

- (a) Conviction of a felony or misdemeanor involving moral turpitude; and
- (b) Reporting for duty under the influence of alcohol or nonprescription drugs.

ARTICLE VII

The Executive Director may terminate this contract and agreement by giving to the Board three months (90 days) written notice of his intention to so terminate, but in such event, the Executive Director shall not be entitled to any compensation beyond that accruing for the period of his actual employment.

ARTICLE VIII

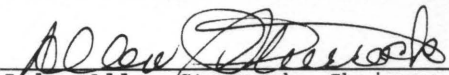
This agreement supersedes all other agreements, either oral or in writing, between the parties with respect to the employment of the Executive Director by the Board, and contains all of the covenants and agreements between the parties with respect to such employment. Each party to this agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, that are not embodied in this agreement, and that no other agreement, statement, or promise shall be valid or binding unless reduced to writing and signed by the party to be bound.

This agreement shall be governed by and construed in accordance with the laws of the State of Texas and all of the obligations set forth herein are performable in Lufkin, Angelina County, Texas.

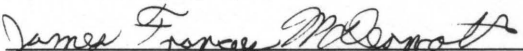
In the event either party breaches any of the terms of this contract whereby the party not in default employs attorneys to protect or enforce its rights hereunder and prevails, then the defaulting party agrees to pay the other party reasonable attorneys fees so incurred by such other party.

EXECUTED this the 1st day of September, 1989, at Lufkin,
Angelina County, Texas.

DEEP EAST TEXAS REGIONAL MENTAL HEALTH
MENTAL RETARDATION BOARD OF TRUSTEES

By: 
Judge Allen Sturrock, Chairman

EXECUTIVE DIRECTOR


James Francis McDermott, Ph.D.

ATTEST:


Gaffney Phillips, Secretary

MINUTES

THE DEEP EAST TEXAS REGIONAL MENTAL HEALTH MENTAL RETARDATION SERVICES BOARD OF TRUSTEES WORKSHOP

August 29, 1989

BOARD MEMBERS PRESENT:

Judge Allen Sturrock, Chairman
Mrs. Gaffney Phillips, Secretary
Mr. Ward R. Burke
Nancy Speck, Ph.D.
Reverend Robert Carter
Mrs. Bobbie Morgan

BOARD MEMBERS ABSENT:

Dan Dominey, Vice Chairman
Judge Charles English
Mrs. Nancy Fuller

OTHERS PRESENT:

Jim McDermott, Ph.D.	MHMR
Mr. Sandy Skelton	MHMR
Mrs. Susan Rushing	MHMR
Mr. George Patterson	MHMR
Mrs. Linda Naff	MHMR
Mr. Tim Richerson	MHMR
Mrs. Sandy Vann	MHMR
Mr. Stephen Teal	MHMR
Mr. Larry Welker	MHMR
Mrs. Nancy Jones	MHMR
Mrs. Marty Walker	MHMR
Mrs. Kim Abernethy	MHMR
Ms. Donna Teafatiller	MHMR
Ms. Rita Russell	MHMR
Mrs. Marsha Brown-Ford	MHMR

The 203rd meeting of the Board of Trustees was held at 9:00 A.M. on Tuesday, August 29, 1989 at Crown Colony Country Club, 900 Crown Colony Drive, in Lufkin, Texas.

INVOCATION: Reverend Robert Carter gave the invocation.

CALL TO ORDER AND RECOGNITION OF GUESTS: There being a quorum present, Chairman Sturrock called the meeting to order at 6:40 P.M. There were no guests in attendance.

Dr. McDermott opened the workshop with remarks related to the wedding of a social mission with a business orientation. He believes that the Center needs to move in this direction in order to gain financial stability, to develop stable services, and to provide quality services. He is attempting to move the Center toward more financial independence, but the Board must sanction this movement for both the immediate and the long-range future.

Dr. McDermott discussed general observations of where he expects the future dollars to be, ways we currently obtain funds and where the funds will come from in the future, development of the business plan that will move us in the direction we need to go, external and internal objections that we expect to hear, the Center's social mission, and the benefits of this proposed movement into the private sector.

Tim Richerson discussed the Center's proposed business plan and discussed the need for such a plan, the team planning process, and the anticipated future results of the team business planning process relating to each staff member participating in the process.

Susan Rushing gave an overview of future ideas for vocational services. She discussed the process that a client goes through from his/her first contact with the Center to his final destination, whether it be placement in a prevocational setting, sheltered work, mobile crew, supported employment, or affirmative business. She stated that current ideas for affirmative businesses include state set-aside contracts for peas and beans and traffic cones, the building of block pallets, and the manufacturing of glass beads that are used to make highway paint reflective.

Sandy Skelton discussed current outpatient services provided and what we perceive to offer in the future. He reported that our basic goal is to improve and expand our treatment services, and we are looking at various options for this expansion.

Sandy then discussed the concept of managed health care, and reported that the concept is to assist industries in determining the type of psychiatric care they need for their employees and then provide that care for them. Dr. McDermott stated that managed health care is the alternative to expensive, psychiatric hospitalization. He sees us opening several small outpatient offices totally separate from Deep East Texas MHMR that will serve the Medicaid and the for-pay client. This clinic will provide both individual and group therapy.

Marty gave an overview of Peavy Switch Farm. She reviewed the current program offered at Peavy Switch and discussed both current expansion plans and long-range expansion plans. Marty discussed the need for a family center, the Ropes therapy program, and the possibility of developing an adolescent treatment program.

The workshop adjourned at 12:00 noon for lunch and then the regular monthly Board meeting.

APPROVED:



Judge Allen Sturrock, Chairman



Gaffney Phillips, Secretary